

0.5% COMPENSATION BONUS / ACROSS-THE-BOARD

2016-2017

Frequently Asked Questions

Please see additional budget information posted on the NCDPI Financial and Business Services Division website at www.ncpublicschools.org/fbs/budget/ . This document will be updated as additional questions are received.

SECTION 36.16.

- (a) Any person
 - (i) whose salary is set by this Part, pursuant to the North Carolina Human Resources Act, or as otherwise authorized in this act and
 - (ii) who is employed in a State-funded position on September 1, 2016, shall be awarded a one-time, lump sum compensation bonus for the 2016-2017 fiscal year in the amount of one-half of one percent (0.50%) during the month of October 2016, except as provided by subsection (a1) of this section.
 - (a1) Teachers paid on the Salary Schedule in Section 9.1 of this act are not eligible to receive the bonus awarded by subsection (a) of this section.
- (b) Notwithstanding G.S. 135-1(7a), the compensation bonus awarded by this section is not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.
- (c) The compensation bonus awarded by this section is not part of annual salary and shall be paid out separately. The compensation bonus shall be awarded to eligible permanent employees without regard to an employee's placement within the salary range, including employees at the top of the salary range. The compensation bonus shall be adjusted pro rata for permanent part-time employees.
- (d) Recipients of disability benefits under Article 6 of Chapter 135 of the General Statutes who have not terminated their employment and who otherwise meet the conditions of this section are eligible to receive the bonus, which shall be paid by the employing agency. The Disability Income Plan will neither pay the bonus nor reimburse the employer for payment.
- (e) For part-time employees, the bonus shall be pro rata based on the number of hours worked.

1. *What are the basic requirements to be eligible for the 0.5% bonus?*

All employees who are employed (in pay status) in a State funded position on September 1, 2016.

2. *Are charter school employees paid the Bonus?*

Charter school employees are not required to be paid according to the State salary schedules nor required to be paid the bonus. Salary and bonus payments are the decision of the board of the charter school.

The charter schools received the per pupil share of the funding provided to the school districts for this bonus in the state base allotment per student. The amount per ADM included is \$5.59.

NOT ELIGIBLE

1. *Are teachers and instructional support eligible?*

No. Any teacher or instructional support who is paid from the certified educator salary schedules is not eligible. This includes but not limited to teachers, school counselors, psychologists, nurses, audiologists, speech language pathologists, media coordinators, social workers etc.

2. *Are contracted personnel eligible for the bonus?*

No, an individual must be employed by the State.

3. *Do employees who are employed less than 20 hours per week receive a pro rata amount of the bonus?*

No, these employees, by definition, are considered temporary.

4. *If an employee is employed after September 1, 2016, do they receive a pro rata share of the bonus?*

No.

5. *If an employee has an effective retirement day of September 1, are they eligible?*

No.

6. *If an employee has an effective retirement day of September 1, are they eligible?*

No.

ELIGIBLE

7. *Are school based administrators eligible for the bonus?*

Yes. Both assistant principals and principals are eligible.

8. *9/26/2016 Are MSA and Principal Fellows eligible?*

No.

9. *If the school based administrator is paid from the teacher salary schedule is he/she eligible for the bonus?*

Yes. Only teachers and instructional support are excluded.

10. *Are personnel who were NOT employed in fiscal year 2015-16 eligible to receive the bonus?*

Yes, provided they meet the criteria set above and they are employed on September 1, 2016 in a state funded position.

11. *Do probationary employees get the bonus?*

Yes, probationary employees are eligible, provided they meet the criteria set above.

12. *Are employees on leave without pay eligible for the bonus?*

Yes, employees on leave without pay receive the bonus

13. *9/28/2016 Are employees on worker's compensation eligible for the bonus?*

Yes, they receive the bonus

14. *What if the employee is on sick leave or some other extended absence?*

Yes, they receive the bonus.

15. *9/30/2016 Correction Do employees who are on short term ~~or long term disability~~ receive the bonus?*

Employees on short term disability are eligible for the bonus, per subsection (d).
Employees on long term disability are not eligible.

16. *Does an employee suspended with pay qualify for the bonus?*

Yes, he/she is eligible to receive the bonus.

17. Are locally funded employees eligible for the bonus?

The legislation provides the bonus to those persons employed in a permanent State funded position. Therefore, there are no state funds for persons employed in local funded positions. The local board of education may authorize the bonus payments from local funds for locally funded positions.

18. Are federally funded employees eligible for the bonus?

Yes. The legislation provides the bonus to those persons employed in a permanent state funded position. Therefore, there are no state funds for persons employed in federally funded positions. These individuals shall be paid the bonus from the same federal funds as their regular salary.

19. Are part time employees eligible?

Yes, part time employees are eligible for a pro rata amount. These employees must be in a permanent status.

Calculation of the Base

20. What base is the 0.5% to be applied for salaried employees?

The annual pay in effect on September 1, 2016. This does not include extra pay such as overtime, stipends or longevity payments.

21. 9/28/2016 Do we include payments coded to object "129"?

Yes

22. 9/28/2016 Do we include payments coded to object "181"?

No, local supplements are not included in the 0.5% bonus. LEAs may pay the 0.5% of the local supplement from local funds.

23. What base is used for hourly employees?

For hourly employees, the base is to be calculated as follows:

of hours scheduled per day
X \$ hourly rate
X # of expected contract days for the position
Base for 0.5%

Eg. A teacher assistant is employed for 6 hours a day for 185 days at \$13 per hour
The base is calculated as: $6 \times \$13 \times 185 = \$14,430$
Bonus payment is \$72.15

24. If an employee holds two positions, are salaries for both included in the base?

Yes. If, for instance, a teacher assistant is also a bus driver, pay from both positions should be used as the base.

25. If an employee resigns after September 1, 2016, will they receive the bonus?

Yes, they will receive the full bonus.

PAYMENT AND CODING

26. How should the bonus be paid?

It should be paid in the month of October, 2016 as a lump sum payment separate from the regular pay.

27. Where should the expenditures be posted?

All bonus payments should be coded **to object code 180** – Bonus Pay (not subject to retirement) and the purpose code used for their regular salary.

- State funded personnel should be coded to PRC 045. This is an audited guaranteed allotment with the appropriate purpose code.
- Locally funded personnel coded to local funds, determined by the LEA.
- Federally funded personnel to the federal grant from which their regular salary is paid

28. If the employee is split funded between State and local, who pays?

The State will pay for the percentage of State employment. The local fund is responsible for the remainder.

OTHER

29. Is the bonus subject to an employee's longevity payment?

No. This is a bonus payment, not salary and therefore not included when calculating the longevity payment.

30. Is the bonus subject to retirement withholding and matching?

No, the bonus is not considered compensation for retirement purposes and is NOT subject to retirement.

31. Is the bonus subject to taxes?

Yes, the bonus is considered income and is subject to applicable taxes.